

Message Text

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TAGS: BEXP, BMEP, HO

SUBJ: MAJOR TRADE OPPORTUNITY: PROPOSED NEW CEMENT PLANT FOR
HONDURAS

REF: TEG 4738 (12/20/73)

1. U.S. FIRM, BELL WESTERN CORPORATION (1018 HOUSTON CITIZENS BANK BUILDING, HOUSTON, TEXAS), PLANNING MAJOR INVESTMENT IN HONDURAS INVOLVING CONSTRUCTION OF A LARGE CEMENT MINING AND PROCESSING PLANT AND THE NECESSARY ANCILLARY INFRASTRUCTURE, INCLUDING A BULK LOADING PORT FACILITY AND 20,000 KVA ELECTRICITY GENERATING POWER PLANT. TOTAL INVESTMENT ESTIMATED AT \$50 MILLION. CAPACITY OF PLANT TO BE 600,000 METRIC TONS ANNUALLY. PLANT TO BE LOCATED APPROX. 3 KILOMETERS FROM NORTH COWXQ AND BETWEEN TOWNS OF OMOA AND CUYAMEL IN THE DEPT. OF CORTES.

2. BELL WESTERN PRESIDENT, C. GUS GLASSCOCK, AND LOCAL GENERAL MANAGER AND MINING ENGINEER, R.H. JOHNSTON (CANADIAN CITIZEN), NOW WORKING OUT DETAILS FOR PROJECT WITH GOH, AND WILL PROBABLY SELECT WOLCOTT CORP. OF HOUSTON TO MAKE FINAL FEASIBILITY STUDY. (PRELIMINARY STUDIES ALREADY DONE). FINAL STUDY WILL REQUIRE APPROX. 3 MONTHS TO COMPLETE. ARRANGEMENTS FOR FINANCING THROUGH CABEL, COMMERCIAL BANKS, AND GOH IN PROCESS. ACCORDING TO UNCLASSIFIED

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JOHNSTON COMPANY HAS RECEIVED GOH APPROVAL ON MINING CONCESSIONS

FOR LIMESTONE: 1800 HECTARES FOR EXPLOITATION AND 7500 HECTARES FOR EXPLORATION.

3. BELL WESTERN HAS BEEN IN CONTACT WITH SEVERAL FIRMS REGARDING TURNKEY CONSTRUCTION OF PLANT, INCLUDING FULLER CO. OF CATASAUQUA, PA.; POLYSIUS (WEST GERMANY); F.K. SCHMITT (COPENHAGEN). EUROPEAN FIRMS PRICE ESTIMATES RANGE BETWEEN \$33 TO \$43 MILLION AND DELIVERY TIME BETWEEN 30-36 MONTHS. ACCORDING TO JOHNSTON U.S. PROPOSAL SUBSTANTIALLY LESS EXPENSIVE AND DELIVERY TIME 24 MONTHS. AS MENTIONED ABOVE, OTHER WORK TO BE PERFORMED WOULD INCLUDE DESIGN AND CONSTRUCTION OF BULK LOADING PORT FACILITY TO BE LOCATED ON COAST WEST OF OMOA, LARGE ENOUGH TO HANDLE 20,000 TON BULK CARRIERS, AS WELL AS A 20,000 KVA POWER PLANT WITH BACKUP SYSTEMS TO PREVENT POWER FAILURES. COMPANY HOPES TO HAVE CONSTRUCTION BEGUN EARLY 1975.

4. ACTION REQUESTED: DEPARTMENT PLEASE INFORM U.S. FIRMS INTERESTED IN TURNKEY DESIGN AND CONSTRUCTION OF CEMENT PLANT; ALSO IN DESIGN AND CONSTRUCTION OF RELATED PORT AND POWER PLANT FACILITIES. CONSIDERING FACT BELL WESTERN HAS ALREADY CONTACTED SOME FIRMS REGARDING CEMENT PLANT, OTHER FIRMS URGED TO MAKE THEIR INTERESTS KNOWN ASAP. POINTS OF CONTACT WOULD BE C. GUS GLASSCOCK, BELL WESTERN CORP. (ADDRESS GIVEN ABOVE), OR R. H. JOHNSTON, CIA. MINERA BELL WESTERN DE HONDURAS, 4A CALLE N.O. 34C, EDIFICIO ROSARIO MINING CO., SAN PEDRO SULA, HONDURAS (CABLE: BELLWEST). EMBASSY WILL ATTEMPT TO OBTAIN MORE DETAILED INFORMATION AS IT BECOMES AVAILABLE.
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